

Notice of Public Hearing

KCP&L Rate Increase Request

Kansas City Power & Light (KCP&L) has filed a request with the Kansas Corporation Commission (Commission) to increase its Kansas retail rates by approximately \$63.55 million. If granted, rates will increase by approximately 12.9%.

Under KCP&L's proposal, the average residential customer using 1490 kWh in the summer months and 800 kWh in the winter months, will see an increase of approximately 41 cents a day or about \$12.34 a month. Residential customers who use electricity to heat their homes may experience a higher average daily and monthly increase due to increased usage in the winter months.

Under KCP&L's proposal, small business customers will see increases of approximately 10%, and larger commercial and industrial customers will see increases between 12.9% and 13.5%.

Why is KCP&L asking for a rate increase?

There are a number of drivers for KCP&L's current rate increase request, which include:

- ***Additional wind energy in Spearville, Kansas***—Spearville 2 includes 48 MW of new wind turbines that will help ensure KCP&L is in compliance with the Kansas Renewable Energy Standards Act. This act requires a major utility like KCP&L to have renewable resources at a level equal to 10% of the utility's peak demand. This requirement will increase to 15% in 2016 and 20% in 2020.
- ***Environmental Upgrades for La Cygne Generating Station***—KCP&L is making upgrades to its La Cygne generating station that were approved by the Commission in August 2011. KCP&L is making these investments now as part of an agreement with the Kansas Department of Health and Environment to ensure La Cygne is able to continue operating beyond 2015, when major federal environmental regulations go into effect.

KCP&L is also proposing changes to its depreciation rates, interstate cost allocation percentages and return on equity percentage, updating pension accounts, and adjusting for normal changes in operation, maintenance, administrative and general expenses.

Additional information from KCP&L including answers to frequently asked questions are available at ***KCPL.com/KansasRequest***.

Regulatory Responsibility

The Commission regulates public utilities, including home telephone, natural gas, electric and water companies as well as motor carriers, oil and gas pipelines, and oil and gas producers. The Commission's regulatory oversight of public utilities primarily pertains to rates and terms of service. In order to ensure that customers of regulated utilities



are provided sufficient and efficient service at just and reasonable rates, utilities may not change their rates without Commission approval.

The Commission will review and consider evidence supplied by KCP&L as well as evidence supplied by other interested parties. The Commission may grant less than the total amount requested by KCP&L in this application and may change the percentage increase charged to any specific customer class.

Public Hearing

The Commission has scheduled a public hearing to provide KCP&L customers an opportunity to speak to the Commission about KCP&L's proposed rate increase. The public hearing will consist of two parts. First, the Commission will conduct an informational meeting to allow KCP&L to explain its request to the public and to answer questions. Commission Staff, the Citizens' Utility Ratepayer Board (CURB) and any other interveners will also be available to answer questions. During the second part of the hearing, customers may make their formal statement to the three-member Commission.

The hearing will be on:

Tuesday, July 31, 2012

Beginning at 6 p.m.

Overland Park City Hall—Council Chambers

8500 Santa Fe Drive

Overland Park, KS 66212

Any person requiring special accommodations at the hearing site under The Americans with Disabilities Act needs to provide notice to the Commission at least 10 days prior to the scheduled hearing by calling **1-800-662-0027**.

Public Comments

The Commission will accept written comments from KCP&L customers through September 28, 2012. Comments should reference Docket Number 12-KCPE-764-RTS and be e-mailed to ***public.affairs@kcc.ks.gov***. You may also mail comments to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, KS 66604-4027 or call **1-800-662-0027**.

Other Information

An evidentiary hearing on KCP&L's request is scheduled to begin October 1, 2012, at 9:00 a.m. at the Commission's Offices. 1500 SW Arrowhead Rd., Topeka, KS 66604-4027.

A complete copy of KCP&L's application and supporting testimony is available on the Commission's website at: ***http://www.kcc.ks.gov***, searching Docket Filings for Docket No. 12-KCPE-764-RTS. If you need additional assistance or more information about the proposed rate increase or how to submit public comments to the Commission, contact the Commission's Office of Public Affairs and Consumer Protection at **1-800-662-0027**, or at ***public.affairs@kcc.ks.gov***.